



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

April 18, 2017

Ordinance 18496

Proposed No. 2017-0103.1

Sponsors Upthegrove

1 AN ORDINANCE authorizing the execution of a new lease
2 to support the operations of the sheriff's office and the
3 department of transportation.

4 STATEMENT OF FACTS:

5 1. The facilities management division received a request for space on
6 December 23, 2014, from the sheriff's office and the department of
7 transportation.

8 2. The sheriff's office and the department of transportation needed space
9 for the purpose of metro transit police operations.

10 3. The facilities management division determined on February 12, 2015,
11 that there was not an appropriate county-owned option.

12 4. The facilities management division determined, through consultation
13 with the departments, that leasing was the most cost-effective option for
14 the county.

15 5. The facilities management division successfully negotiated to lease
16 space from 5303 1st Avenue South, LLC, located at 5303 First Avenue
17 South, Seattle, within council district eight.

18 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

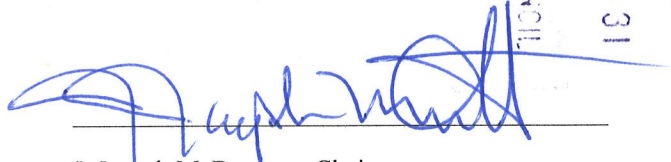
19 SECTION 1. The executive is authorized to execute a lease for the property

20 located at 5303 First Avenue South, Seattle, with 5303 1st Avenue South, LLC,
21 substantially in the form of Attachment A to this ordinance, and to take all actions
22 necessary to implement the terms of the lease.
23

Ordinance 18496 was introduced on 4/10/2017 and passed by the Metropolitan King County Council on 4/17/2017, by the following vote:

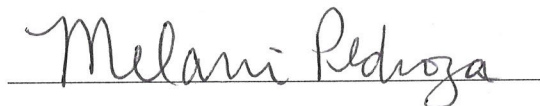
Yes: 9 - Mr. von Reichbauer, Mr. Gossett, Ms. Lambert, Mr. Dunn,
Mr. McDermott, Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles
and Ms. Balducci
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



J. Joseph McDermott, Chair

ATTEST:



Melani Pedroza, Acting Clerk of the Council

APPROVED this 20th day of April, 2017.



✓ Dow Constantine, County Executive

Attachments: A. Lease Agreement

ATTACHMENT A:

LEASE AGREEMENT

LEASE

THIS LEASE AGREEMENT ("Lease"), is made and entered into between 5303 1st Avenue South, LLC, a Washington limited liability company ("Landlord"), and KING COUNTY, a political subdivision of the State of Washington ("Tenant").

1. Basic Lease Information.

1.1 Lease Date: _____, 2016 (for reference purposes only)

1.2 Landlord: 5303 1st Avenue South, LLC

1.3 Tenant: King County, a political subdivision of the State of Washington

1.4 Building: Located at: 5303 1st Avenue South, Seattle, Washington, on that certain real property that is legally described on the attached Exhibit A ("Real Property")

1.5 Premises: The area depicted on the attached Exhibit B, containing approximately 14,976 rentable square feet ("RSF"), in the Building and 2,800 RSF of "Warehouse Space" and the land that is legally described on the attached Exhibit A

Tenant's Pro Rata Share: 100%

1.6 Permitted Use: General office, storage and/or any other legally permissible use

1.7 Initial Term: One-hundred and twenty (120) months

1.8 Extended Term(s): Two (2) options to extend of five (5) years per option term

1.9 Lease Commencement Date (also referred to as "LCD"): See Section 3

1.10 Rent Commencement Date: See Section 3

1.11 Expiration Date: See Section 3



1.12 Base Rent:

Months	Monthly Base Rate per RSF (Office)	Monthly Base Rent (Office)	Monthly Base Rate per RSF (Warehouse)	Monthly Base Rent (Warehouse)	Total Monthly Base Rent	Total Annual Base Rent	Annual Rate/RSF (Blended)
1- 3	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4- 12	\$17.00	\$21,216.00	\$12.00	\$2,800.00	\$24,016.00	\$216,144.00	\$12.16
13- 24	\$20.75	\$25,896.00	\$12.36	\$2,884.00	\$28,780.00	\$345,360.00	\$19.43
25- 36	\$21.50	\$26,832.00	\$12.73	\$2,970.52	\$29,802.52	\$357,630.24	\$20.12
37- 48	\$22.25	\$27,768.00	\$13.11	\$3,059.64	\$30,827.64	\$369,931.63	\$20.81
49- 60	\$23.00	\$28,704.00	\$13.51	\$3,151.42	\$31,855.42	\$382,265.10	\$21.50
61-72	\$23.75	\$29,640.00	\$13.91	\$3,245.97	\$32,885.97	\$394,631.61	\$22.20
73-84	\$24.50	\$30,576.00	\$14.33	\$3,343.35	\$33,919.35	\$407,032.16	\$22.90
85-96	\$25.25	\$31,512.00	\$14.76	\$3,443.65	\$34,955.65	\$419,467.76	\$23.60
97-108	\$26.00	\$32,448.00	\$15.20	\$3,546.96	\$35,994.96	\$431,939.47	\$24.30
109-120	\$26.75	\$33,384.00	\$15.66	\$3,653.36	\$37,037.36	\$444,448.38	\$25.00

1.13 Security Deposit: None

1.14 Landlord's Address for Notices:

5303 1st Avenue South, LLC
 305 S Lucile Street, Suite 200
 Seattle, WA 98108

1.15 Tenant's Address for Notices:

King County Real Estate Services Section
 King County Administration Building
 500 4th Avenue, Suite 830
 Seattle, WA 98104

2. Premises; Tenant Improvements.

2.1 Premises. Landlord hereby leases the Premises to Tenant for the Term set forth above. Tenant, at its sole option, may elect to remeasure the Premises pursuant to the most recent, applicable measurement methodology published by the Building Owners and Managers Association (BOMA), and if the rentable square footage of the Premises varies from that set forth in Section 1.5 above, the parties hereto shall promptly amend this Lease to modify any variables that are dependent upon the same.

Landlord warrants that the Premises shall be delivered (i) in good operating condition, including but not limited to all mechanical, electrical, plumbing, and other systems

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serving the Premises; (ii) in compliance with all applicable laws, current codes, ordinances and regulations; and (iii) free of any Hazardous Material. To the extent that the Premises fails to comply with the prior sentence as of the Lease Commencement Date (without limiting any other rights or remedies that Tenant may have under this Lease and/or at law), Landlord shall promptly correct the same at its sole cost and expense.

Throughout the Term of this Lease and any extension thereof, Tenant shall have 24/7 exclusive use of all parking areas on the Real Property, free of charge.


2.2 Tenant Improvements. Landlord shall deliver the Premises to Tenant with the Tenant Improvements complete and accepted by Tenant, as defined in Exhibit C. Landlord agrees to pay for the cost of the Tenant Improvements up to and not to exceed twenty-five dollars (\$25.00) per RSF of the Building (14,976 RSF) ("Tenant Allowance"), as set forth in the attached Exhibit C. The Tenant Improvement work shall not commence until the effective date of an ordinance adopted by the Metropolitan King County Council approving this Lease.

3. Term.

3.1 Lease Commencement Date. This Lease shall commence on the date ("Lease Commencement Date" or "Commencement Date") on which all of the following have occurred: 1) mutual execution by the Parties of this Lease; and 2) Landlord's completion of the Tenant Improvements per the Work Letter attached hereto as Exhibit C; provided that in no event shall the Commencement Date occur prior to November 1, 2016. Landlord shall provide Tenant with at least seven (7) days advance written notice of the date on which the Commencement Date shall occur. Within fourteen (14) days after the Commencement Date is established, Tenant shall confirm and reiterate said Commencement Date to Landlord in writing.

Notwithstanding anything to the contrary, if the Commencement Date has not occurred within six (6) months following the last of the following occurrences: 1) November 1, 2016; 2) the effective date of an ordinance adopted by the Metropolitan King County Council approving this Lease; and 3) obtaining the permits necessary for the improvement work defined in Exhibit C, then from and after such date and until the Commencement Date occurs, Tenant shall be entitled to two (2) days of abated Base Rent for each one (1) day of such delay (the "Base Rent Abatement").

3.1.1 Rent Commencement Date. Tenant shall receive three (3) months of free Base Rent following the Lease Commencement Date (the "Base Rent Credit"). Tenant shall begin to pay Base Rent on the first (1st) day of the fourth (4th) full month following the Lease Commencement Date (the "Rent Commencement Date"). In the event Tenant is entitled to Base Rent Abatement per Section 3.1, the Base Rent Credit, and the amount of Base Rent due on the Rent Commencement Date, shall be adjusted accordingly. Tenant shall pay its pro-rata share of Operating Costs commencing upon the Lease Commencement Date without offset.



3.2 Expiration Date. This Lease shall expire on the last day of the calendar month that is one hundred and twenty (120) months after the Lease Commencement Date ("Expiration Date").

3.3 Extension Option. Tenant is hereby granted the option to extend the initial Term for two (2) successive periods of five (5) years apiece (each one an "Extended Term"). Each Extended Term option may be exercised by Tenant only by giving Landlord written notice no more than twelve (12) months and no less than nine (9) months prior to the last day of the then current Term. Tenant's Extended Term options shall apply to all of the Premises then leased by Tenant under this Lease. From and after the commencement of the Extended Term, all of the terms, covenants, and conditions of this Lease shall continue in full force and effect as written, except that Base Rent for the Extended Term shall be the then-prevailing Fair Market Rent (defined below). The term "Fair Market Rent" for the purposes of this Lease shall mean the annual amount per rentable square foot that a willing, comparable, new, non-expansion, non-renewal, non-equity tenant would pay, and a willing, comparable landlord of a comparable building in the Seattle, Washington market would accept under the transaction as further defined above, for new leases of similar space in the same geographic area as the Premises, considering, size, use type, and creditworthiness of tenant on or about the date on which the Fair Market Rent is being determined hereunder.

Within thirty (30) days of Tenant notifying Landlord that it intends to exercise an Extended Term option under this Section 3.3, Landlord will advise Tenant in writing of its proposed Fair Market Rent. If Landlord and Tenant are unable to agree on a mutually acceptable Fair Market Rent not later than ninety (90) days prior to the expiration of the Term, then Landlord and Tenant, within five (5) days after such date, shall each simultaneously submit to the other, in a sealed envelope, its good faith estimate of the Fair Market Rent for the Premises (collectively referred to as the "Estimates"). If the higher of such Estimates is not more than one hundred five percent (105%) of the lower of such Estimates, then the Fair Market Rent shall be the average of the two Estimates. If the Fair Market Rent is not established by the exchange of Estimates, then, within ten (10) days after the exchange of Estimates, Landlord and Tenant shall each select a licensed commercial real estate broker to determine which of the two Estimates most closely reflects the Fair Market Rent for the Premises. Each broker shall have had at least seven (7) years' experience within the previous ten (10) years of his/her work experience as a commercial real estate broker working in Seattle, Washington with working knowledge of current rental rates and practices. Landlord's and Tenant's brokers shall work together in good faith to agree upon which of the two Estimates most closely reflects the Fair Market Rent for the Premises. The Estimates chosen by such brokers shall be binding on both Landlord and Tenant. If the two brokers cannot agree upon which of the two Estimates most closely reflects the Fair Market Rent within twenty (20) days after their appointment, then, within ten (10) days after the expiration of such twenty (20) day period, the brokers shall select a third broker meeting the aforementioned criteria. Once the third broker (the "Arbitrator") has been selected as provided for above, then, as soon thereafter as practicable but in any case, within fourteen (14) days, the Arbitrator shall make his or her determination of which of the two Estimates most closely


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reflects the Fair Market Rent and such Estimate shall be binding on both Landlord and Tenant as the Fair Market Rent. If the Arbitrator believes that expert advice would materially assist him or her, he or she may retain one or more qualified persons to provide such expert advice. Landlord and Tenant shall share equally in the costs of the Arbitrator and of any experts retained by the Arbitrator. Any fees of any broker, counsel or experts engaged directly by Landlord or Tenant, however, shall be borne by the party retaining such broker, counsel or expert.

If the Fair Market Rent has not been determined by the commencement date of the Extended Term, Tenant shall pay Rent upon the terms and conditions in effect during the last month of the initial Term (or preceding Extended Term, as applicable) until such time as the Fair Market Rent has been determined. Upon such determination, the Rent shall be retroactively adjusted to the commencement of the Extended Term.

3.4 Right of First Opportunity to Purchase. If at any time during the Lease term, Landlord intends to offer the Premises for sale to a third party ("Landlord's Offer"), Landlord shall first give written notice thereof to Tenant ("Landlord's Sale Notice"). Landlord's Sale Notice shall constitute Landlord's Offer to sell the Premises to Tenant at the price and upon the terms and conditions contained in such notice. Tenant shall have thirty (30) days after receipt of Landlord's Sale Notice in which to accept Landlord's Offer. Tenant shall accept Landlord's Offer, if at all, only by written notice to Landlord in which Tenant shall agree to purchase the Premises from Landlord at the price and upon the terms set forth in Landlord's Sale Notice. If Tenant accepts Landlord's Offer within the thirty (30) day period, Tenant and Landlord shall have a period of sixty (60) days after Tenant's acceptance to enter into a binding, written purchase and sale agreement containing all of the terms of the purchase and sale (the "Agreed Terms"), which may be subject to approval by the Metropolitan King County Council; if Tenant fails to accept Landlord's offer within the thirty (30) day period described above, or if Tenant and Landlord fail to enter into the Agreed Terms during the sixty (60) day period, then Landlord may attempt to sell the Premises on the open market. If Tenant accepts Landlord's offer within the thirty (30) day period described above, Tenant shall purchase the Premises from Landlord in accordance with the terms and conditions contained in the Agreed Terms; the Agreed Terms shall provide Tenant with six (6) months after the date on which Tenant accepts Landlord's Offer to close on its purchase of the Premises. The preceding right of first opportunity to purchase shall not apply to (a) sales or transfers among entities or persons related to Landlord, including trust beneficiaries; (b) any transfer or disposition by assignment, gift, devise, testamentary transfer, intestate successions; or (c) any transfer to a trust for the benefit of any heir at law of Landlord (or any heir at law of any partner or shareholder of Landlord) or for the benefit of Landlord. Tenant shall have no rights under this paragraph if it has defaulted under the Lease and fails to cure such default within the applicable cure period.

4. Permitted Use. The Premises may be used by Tenant for the uses set forth in Section 1.6 above. Landlord represents and warrants to Tenant that the Premises may lawfully be used for the uses set forth in Section 1.6 above.



5. Rent. Tenant covenants and agrees to pay Landlord, at Landlord's Notice Address set forth in Section 1.14 above, without deduction or offset except as otherwise set forth in this Lease, monthly rent in the amounts set forth in Section 1.12, payable in advance, without prior notice or demand, on or before the first day of each month of the Term (the "Base Rent"), beginning on the Rent Commencement Date. Base Rent for any fractional calendar month at the beginning or end of the Term shall be prorated. In addition to the Base Rent, in the same manner and at the same time as the payment of Base Rent, Tenant shall pay its Pro Rata Share of Operating Costs as further described below in Section 8 ("Additional Rent"). Base Rent and Additional Rent are collectively referred to as the "Rent."

6. Security Deposit. None.

7. Utilities and Services. Landlord shall, at Tenant's expense as Operating Costs subject to Section 8, at all times furnish the Premises with: (i) water at those points of supply provided for general use of tenants of the Building; (ii) heated and refrigerated air conditioning as appropriate, at such temperatures and in such amounts as are required by governmental authority or as are reasonably appropriate for the Building; (iii) janitorial service five (5) nights per week Monday – Friday other than national holidays, recycling and trash removal, and such carpet cleaning and window washing as may from time to time be reasonably required; (iv) elevators for ingress and egress to the floor on which the Premises are located; (v) electrical current reasonably sufficient for Tenant's use; and (vi) sewer service. Tenant shall furnish its own telephone, internet and cable service to the Premises. No interruption or failure of any utilities or services from any cause whatsoever shall be deemed an eviction of Tenant, provided that Landlord shall use commercially reasonable efforts to repair, replace or restore the same as quickly as possible. To the extent any interruption of services occurs due to Landlord's negligence, intentional misconduct or breach of Lease for five (5) consecutive days or seven (7) non-consecutive days within any six (6) month period, then Rent shall be abated for the period of interruption in the proportion of the square footage rendered unusable in addition to, and without limiting, Tenant's other rights and remedies available at law and/or under this Lease. Unless otherwise elected by Tenant, any utilities that are separately metered to the Premises shall be paid directly to the providing utility by Tenant, and upon such payment Tenant shall not be assessed any percentage of the cost of such utilities in Operating Costs (other than reasonable amounts applicable to any common areas).

8. Operating Costs.

8.1 During the Term, Tenant shall pay to Landlord the Tenant's Pro Rata Share, as set forth in Section 1.5 above, of Operating Costs.

8.2 Costs Included in Operating Costs. The term "Operating Costs" means only the following operating costs actually and reasonably incurred by Landlord in the management and operation of the Premises and the Building, (after the Lease Commencement Date) subject to the exclusion of those items listed in Section 8.3:

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(a) The cost of all reasonable and necessary repairs, maintenance and operation of the Building, common areas, parking areas, sidewalks and grounds associated with the Premises, including the cost of ordinary materials and supplies consumed in connection with any such maintenance, repair and operation that in accordance with generally accepted accounting principles would not be capitalized, except that Landlord shall first look to any existing warranties and/or guaranties or other responsible third parties to pay such costs;

(b) Premiums incurred by Landlord for insurance coverage maintained by Landlord for the Building that is required by this Lease or that is customarily carried by operators of comparable buildings in the area, provided such coverage is commercially available at reasonable costs, which coverage shall include reasonable and customary deductibles (but not to exceed Ten Thousand Dollars (\$10,000)); provided, however, the deductible for Landlord's earthquake insurance shall be five percent (5%) of the Building Coverage (currently \$2.2 million), if said earthquake insurance is commercially available at reasonable costs.

(c) The cost of the utilities and services identified in Section 7 above;

(d) General real estate taxes levied against the Building and Real Property that accrue and are payable during the Term, but not any special assessments or taxes in the nature of improvement or betterment assessments that are not due to the improvements or betterments made in accordance with this Lease ("Real Estate Taxes"). Real Estate Taxes shall exclude, without limitation, any income, franchise, gross receipts, corporation, capital levy, excess profits, revenue, rent, inheritance, gift, estate, payroll or stamp tax or any increase in tax (or any tax protest) arising out of a reassessment on all or part of the Building or Real Property upon the sale, transfer or assignment of Landlord's title or estate, which at any time may be assessed against or become a lien upon all or any part of the Premises, Building or Real Property. In addition, Real Estate Taxes shall exclude any penalties or interest, and shall further exclude any liens or taxes that are levied or assessed against the Premises, Building or Real Estate for any time prior to the Term.

Landlord shall at all times use its best efforts to operate the Building in an economically reasonable manner at costs not disproportionately higher than those experienced by other comparable buildings in the area. Landlord agrees that (i) Landlord will not collect or be entitled to collect Operating Costs from its Tenant in an amount which is in excess of one hundred percent (100%) of the Operating Costs actually paid by Landlord in connection with the operation of the Building, and (ii) Landlord shall make no profit from Landlord's collection of Operating Costs.

8.3 Exclusions from Operating Costs. Notwithstanding the generality of Section 8.2, the following items shall be excluded or deducted, as the case may be, from the calculation of Tenant's Pro Rata Share of Operating Costs:

(a) Any costs borne directly by Tenant under this Lease;

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(b) Any ground lease or master lease rental;

(c) Costs of capital repairs, replacements, improvements and equipment ("Capital Items"), except for: (A) the annual amortization (amortized over the useful life as reasonably determined by Landlord without interest) of costs incurred by Landlord after the Commencement Date for any capital improvements installed or paid for by Landlord; (B) the annual amortization (amortized over the useful life as reasonably determined by Landlord without interest) of costs of any equipment, device or capital improvement purchased or incurred as a labor-saving measure or to affect other economics in the operation or maintenance of the Building, provided the annual amortized cost does not exceed the actual annual cost savings realized; or (C) minor capital improvements, tools or expenditures to the extent each such improvement or acquisition costs less than Five Thousand Dollars (\$5,000.00);

(d) Costs incurred by Landlord for the repair of damage to the Building, to the extent that Landlord is entitled to be reimbursed by insurance proceeds (or would have been so entitled had it purchased the insurance required by this Lease) and cost of earthquake repairs in excess of the earthquake insurance deductible permitted under Section 8.2(b) per earthquake (which for this purpose, an earthquake is defined collectively as the initial earthquake and the aftershocks that relate to such initial earthquake);

(e) Intentionally Deleted.

(f) Depreciation, amortization and interest payments;

(g) Marketing costs, including without limitation, leasing commissions, attorneys' fees in connection with the negotiation and preparation of letters, deal memos, letters of intent, leases, subleases and/or assignments, space planning costs, advertising and promotional expenditures, the cost of signs in or on the Building identifying the owner, management or other tenants, and other costs and expenses incurred in connection with lease, sublease and/or assignment negotiations and transactions with present or prospective tenants or other occupants of the Building;

(h) Expenses in connection with services or other benefits that are not offered to Tenant or for which Tenant is charged for directly but which are provided to another tenant or occupant;

(i) Overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services to the extent the same exceeds the costs of such goods and/or services rendered by unaffiliated third parties on a competitive basis for comparable buildings;

(j) Costs incurred in connection with upgrading the Building to comply with the current interpretation of disability, life, fire and safety codes, ordinances, statutes, or other laws in effect prior to the Commencement Date, including, without

limitation, the Americans With Disabilities Act, including penalties or damages incurred due to such non-compliance;

(k) Costs for which Landlord has been compensated by a management fee, and any management fees in excess of those management fees which are normally and customarily charged by comparable landlords of comparable buildings;

(l) Costs arising from the negligence or fault of Landlord, its employees or agents;

(m) Costs (including in connection therewith all attorneys' fees and costs of settlement judgments and payments in lieu thereof) arising from claims, disputes or potential disputes in connection with potential or actual claims, litigation or arbitration pertaining to Landlord and/or the Building;

(n) Any entertainment, dining or travel expenses of Landlord for any purpose;

(o) Any flowers, gifts, balloons, etc. provided to any entity whatsoever, including, but not limited to, Tenant, employees, vendors, contractors, prospective tenants and agents, and any tenant relations parties, events or promotions;


(p) Costs for parking facilities (unless parking is provided free of charge), and any "validated" parking for any entity;

(q) Legal fees;

(r) Any expenses incurred by Landlord for use of any portions of the Building to accommodate special events including, but not limited to shows, promotions, kiosks, private events or parties beyond the normal expenses attributable to providing Building services, and any "above standard" services, including, but not limited to, those carried out to meet specific requirements of other tenants;

(s) Any other expenses which, in accordance with generally accepted accounting principles, consistently applied, would not normally be treated as Operating Costs by comparable landlords of comparable buildings.

8.4 Payment of Operating Costs. Landlord shall reasonably estimate the Operating Costs for each calendar year wholly or partially included within the Term and shall send notice of the estimate to Tenant at least thirty (30) days before the Commencement Date or first day of any calendar year, as applicable. If Tenant requests, Landlord will give Tenant reasonably detailed documentation supporting Landlord's estimate and Tenant shall not be required to pay any portion of such estimate until Landlord has provided documentation supporting such estimate that is reasonably acceptable to Tenant. During each calendar year included in the Term for which Tenant is to pay Operating Costs, Tenant shall pay one twelfth (1/12th) of the applicable estimate each month to Landlord together with the monthly Base Rent. If Landlord does not give Tenant an estimate within the time period stated above, then Tenant shall continue to



make estimated payments based upon the preceding year's estimate and within thirty (30) days after receipt of the new estimate for the current year (subject to Landlord's obligation to provide supporting documentation, as set forth above in this paragraph), Tenant shall commence payment of the new estimated monthly amount and shall pay in a lump sum any retroactive amounts due from the beginning of the new year. The monthly charge for estimated Operating Costs shall be prorated for any partial month by dividing the Operating Cost charge by three hundred sixty-five (365) and multiplying the result by the number of days in the partial month for which Operating Costs are owed.

8.5 Reconciliation and Audit Rights. Not later than ninety (90) days after the expiration of each calendar year included in the Term, Landlord shall submit to Tenant a written, certified statement containing the amount of actual Operating Costs for such year broken down by component expenses, the Operating Cost increase for the year, the amount of Tenant's Pro Rata Share of the Operating Cost increase (capped, if applicable), the amount paid by Tenant towards the Operating Costs increase, and the amount if any Tenant owes Landlord or the amount Landlord owes Tenant as a refund for such year. If Landlord does not furnish Tenant with a certified statement of Operating Costs within ninety (90) days after the end of the year, then Landlord shall be deemed to have waived forever any and all claims for reimbursement from Tenant for underpayment of Operating Costs for the year, in addition to any other rights and remedies to which Tenant may be entitled under this Lease. Tenant or its audit representatives shall have the right, within one hundred and twenty (120) days from the end of any calendar year, to inspect and audit Landlord's books and records with respect to this Lease once each year, but only for the prior calendar year, to verify actual Operating Costs. Landlord's books and records shall be kept in accordance with generally accepted accounting principles. If Tenant's audit of the Operating Costs reveals an overcharge of more than five percent (5%), Landlord promptly shall reimburse Tenant for the cost of the audit. Any overcharge or underpayment of Operating Costs shall be due from one party to the other within thirty (30) days.

9. Maintenance and Repairs. Subject to Landlord's obligations under this Lease, Tenant shall be responsible for the maintenance and non-structural repairs to the interior of the Premises, which shall be maintained and repaired in a commercially reasonable manner. Landlord shall maintain, repair and replace, if necessary, and charge Tenant as part of Operating Costs subject to Section 8, the Building; all Building systems, including but not limited to interior lighting (including replacement of ballasts and starters as required with the exception of light bulb replacement which shall be the responsibility of the Tenant); plumbing, heating, ventilating and air-conditioning systems (including replacement of filters as recommended in equipment service manual); floor coverings; window coverings; elevators (including communications systems); inside and outside walls (including windows and entrance and exit doors); all structural portions of the Building (including the roof and the watertight integrity of same); porches, stairways; sidewalks; exterior lighting; parking lot (including snow removal, cleaning and restriping as required); wheel bumpers; drainage; landscaping and continuous satisfaction of all governmental requirements (example: fire, building energy codes, indoor air quality and requirements to provide architecturally barrier-free premises for persons with disabilities, etc.).

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10. Sublease and Assignment. Tenant shall have the right during the Lease Term to sublease or assign all, or a portion of, the Premises to another King County governmental entity or department upon written notification to the Landlord (any instance being an "Exempt Transfer"). No Exempt Transfer shall trigger the obligation to pay Net Profits, as defined below, to Landlord.

In addition to the exemption outlined above, Tenant may assign this Lease in whole or in part, or sublet all or any portion of the Premises, to other entities, with the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed (any instance being a "Transfer"). In the event Tenant submits a request for a Transfer in writing to Landlord and Landlord does not respond to Tenant's request within fifteen (15) business days, Landlord shall be deemed to have approved such Transfer.

If Landlord consents to a Transfer, Tenant shall pay to Landlord as Additional Rent, within ten (10) days after receipt by Tenant, fifty percent (50%) of all "Net Profits", which shall mean any consideration paid by the assignee or subtenant for the Transfer. Net Profits includes any non-rent consideration payable to Tenant in connection with the Transfer, plus the excess of the rent payable by the subtenant over the amount of Base Monthly Rent and Additional Rent payable hereunder applicable to the transferred space, after deducting all costs incurred by Tenant in connection with the transferred space, which shall include, but not be limited to, tenant improvements, free rent, leasing commissions, time the transferred space is unoccupied for tenant improvements or marketing, space planning and architectural fees, and legal fees.

11. Alterations and Improvements. Tenant shall be entitled to perform alterations and/or improvements to the Premises (including, without limitation, the installation of fixtures and signs, and the installation of fencing to secure the parking area) subject to Landlord's consent, which shall not be unreasonably withheld, conditioned or delayed. Upon Tenant's request, Landlord agrees to perform such alterations or improvements on Tenant's behalf, subject to reimbursement from Tenant for Landlord's actual and reasonable costs. Tenant may from time to time remove any fixtures, alterations or improvements installed by Tenant in or to the Premises; provided that Tenant agrees to repair any damage caused by such removal.

Notwithstanding the foregoing, Tenant may perform alterations and/or improvements to the Premises without obtaining Landlord's prior consent so long as such alterations and/or improvements: (i) do not exceed \$25,000 per project, (ii) are not visible from the exterior of the Premises, (iii) do not adversely affect any Building system or the structural strength of the Building, and (iv) do not require penetrations into the roof of the Building.

12. Damage and Destruction. In the event the Premises or Building are destroyed or damaged by fire, earthquake or other casualty so as to materially render the Premises or Building unfit for occupancy or Tenant's intended purpose, and the Landlord neglects or refuses to restore the Premises to its former condition within six (6) months of such damage or destruction, Tenant may terminate this Lease upon thirty (30) days written

notice to Landlord. In the event of such termination, Landlord and Tenant shall have no further obligations hereunder, except those obligations that expressly survive the expiration or earlier termination of the Lease. In the event the Premises are damaged by any of the aforesaid events, the Rent shall be abated in proportion to the percentage of untenable space in the Premises as relates to the total square footage of the Premises until such time that Landlord restores the Premises to its pre-casualty condition.

13. Condemnation. If any portion of the Premises, Building or real property upon which the same are situated (including, without limitation, any parking areas associated with the Premises and/or Building) which materially affects Tenant's occupancy or intended use of the Premises, or fifty percent (50%) or more of the rentable area of the Building, is made untenable by eminent domain or conveyed under a threat of condemnation, this Lease shall terminate at the option of either Landlord or Tenant as of the earlier of the date title vests in the condemning authority or the condemning authority first has possession of the Premises or the portion of the underlying real property taken by the condemning authority. All Rents and other payments shall be paid to that date. If the condemning authority takes a portion of the Premises or of the Building or the underlying real property necessary for Tenant's occupancy or intended use that does not materially render them untenable, then this Lease shall continue in full force and effect and the Rent shall be proportionately reduced based on the percentage by which the floor area of the Premises is reduced. The reduction in Rent shall be effective on the earlier of the date the condemning authority first has possession of such portion or title vests in the condemning authority. Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Premises or the Building and Tenant shall make no claim for the value of its leasehold. Tenant shall be permitted to make a separate claim against the condemning authority for moving expenses if the Lease is terminated under this section, provided that in no event shall Tenant's claim reduce Landlord's award.

14. Indemnity and Hold Harmless. Each party shall defend, indemnify and hold the other harmless from and against any claims, suits, causes of action, judgments, damage, loss or liability for injuries to persons or property (excluding consequential damages such as lost profits) (collectively, "Claims") to the extent caused by the negligent acts or omissions of their respective agents, officers and employees acting in the scope of their employment. Where such Claims result from the concurrent negligence of the parties, the indemnity provisions provided herein shall be valid and enforceable only to the extent of each party's negligence. Each of the parties agrees that its obligations under this Section 14 extend to any claim, demand, cause of action and judgment brought by, or on behalf of, any of its employees or agents. For this purpose, each of the parties, by mutual negotiation, hereby waives, with respect to each of the other party's only, any immunity that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW. In the event that any of the parties incurs any judgment, award, and/or cost arising therefrom, including attorney fees, expenses, and costs shall be recoverable from the responsible party to the extent of that party's negligence.

15. Insurance.

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15.1 Landlord acknowledges that Tenant, a Charter County Government under the Constitution of the State of Washington, maintains a fully funded self-insurance program as defined in King County Code 2.21 for the protection and handling of the Tenant's liabilities, including injuries to persons and damage to property. Tenant shall, at its own expense, maintain, through its self-funded program, coverage sufficient for all of its liability exposures for this Lease. Tenant shall provide Landlord with at least thirty (30) days prior written notice of any material change in Tenant's self-funded program and shall provide Landlord with a certificate of self-insurance as proof of coverage. Landlord further acknowledges that Tenant does not maintain a commercial General Liability Insurance policy and is a self-insured government entity; therefore, Tenant does not have the ability to add Landlord as an additional insured to such policy. Should Tenant cease self-insuring its liability exposure and purchase a Commercial General Liability Insurance Policy, Tenant shall add Landlord as an additional insured to such policy. Tenant shall at all times maintain its self-funded program or a Commercial General Liability Insurance Policy, each in an amount sufficient to cover its liability exposure under this Lease.


15.2 Landlord shall maintain throughout the Term commercially reasonable policies of property insurance covering loss of or damage to the Building (including tenant improvements and subsequent alterations) in the full amount of its replacement cost with endorsement to cover code changes. Landlord hereby waives and releases any right of recovery (including by way of subrogation) against Tenant, its officers, employees and agents, for any loss or damage sustained by Landlord with respect to the Building, or Premises or any portion thereof or the contents of the same or any operation therein, to the extent such loss or damage is actually insured against or is required hereunder to be insured against.

16. Intentionally deleted.

17. **Liens.** Landlord and Tenant shall keep the Premises and the Building free from any liens arising out of any work performed, materials furnished, or obligations incurred by Tenant or Landlord and each shall indemnify and hold harmless the other from and against all liabilities, losses, damages and costs (including reasonable attorney fees and costs) incurred in connection with any such lien. Landlord or Tenant may contest the validity or amount of any such lien or encumbrance in good faith provided that, within forty-five (45) days after the filing of such lien or encumbrance, Landlord or Tenant discharges the same by providing and recording a bond which complies with the requirements of RCW 60.04.161 eliminating said lien and/or encumbrance.

18. **Quiet Possession.** Landlord covenants that as of the Commencement Date, Landlord will have good right to lease the Premises for the purpose and uses stated herein and Tenant shall have and quietly enjoy the Premises for the Lease Term.

19. **Holding Over.** If Tenant remains in possession of the Premises after the expiration or termination of this Lease, Tenant's continued possession shall be on the



basis of a tenancy at the sufferance of Landlord. In such event, Tenant shall continue to comply with or perform all the terms and obligations of Tenant under this Lease, except that the monthly Rent during Tenant's holding over shall be one hundred fifty percent (150%) of the Base Rent payable in the last full month prior to the termination hereof. Acceptance by Landlord of rent after such termination shall not constitute a renewal or extension of this Lease; and nothing contained in this provision shall be deemed to waive Landlord's right of re-entry or any other right hereunder or at law.

20. Non-Discrimination. Landlord shall not discriminate on the basis of race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code Ch. 12.16.125. Landlord shall comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations that prohibit such discrimination. These laws include, but are not limited to, chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964. Any violation of this provision shall be considered a default of this Lease and shall be grounds for cancellation, termination, or suspension, in whole or in part, of the Lease and may result in ineligibility for further agreements with King County. Notwithstanding anything to the contrary, Tenant shall be entitled to terminate this Lease effective upon written notice to Landlord in the event that Landlord violates the requirements of this Section 20.

21. Default.

21.1 The following occurrences shall each constitute a default by Tenant (an "Event of Default" or "Default"):

A. Failure To Pay. Failure by Tenant to pay any sum, including Rent, due under this Lease following ten (10) business days' notice from Landlord of the failure to pay.

B. Other Non-Monetary Defaults. The breach by Tenant of any agreement, term or covenant of this Lease other than one requiring the payment of money and not otherwise enumerated in this Section or elsewhere in this Lease, which breach continues for a period of thirty (30) days after written notice by Landlord to Tenant of the breach (provided, if the nature of Tenant's failure is such that more time is reasonably required in order to cure, Tenant shall not be in Default if Tenant commences to cure promptly and thereafter diligently prosecutes such cure to completion).

21.2 Landlord Default; Remedies. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event less than thirty (30) days after notice by Tenant to Landlord. If Landlord fails to cure any such default within the allotted time, Tenant may, in its sole discretion and without limiting Tenant's other rights or remedies under this Lease and/or at law, terminate this Lease upon thirty (30) days advance written notice to Landlord. Tenant

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shall have all remedies available at law or in equity. Nothing herein contained shall relieve Landlord from its duty to perform of any of its obligations to the standard prescribed in this Lease.

22. Remedies. Landlord shall have the following remedies upon an Event of Default. Landlord's rights and remedies under this Lease shall be cumulative, and none shall exclude any other right or remedy allowed by law.

22.1 Termination of Lease. Landlord may terminate Tenant's interest under the Lease. The Lease shall terminate on the date specified in the notice of termination. Upon termination of this Lease, Tenant will remain liable to Landlord for damages in an amount equal to the Rent and other sums that would have been owing by Tenant under this Lease for the balance of the Lease term, less (i) the net proceeds, if any, of any reletting of the Premises by Landlord subsequent to the termination, after deducting all of Landlord's reasonable, actual reletting expenses or (ii) such amounts as Tenant proves may reasonably be avoided.

22.2 Re-Entry and Reletting. Landlord may continue this Lease in full force and effect, and without demand or notice, re-enter and take possession of the Premises or any part thereof, expel the Tenant from the Premises and anyone claiming through or under the Tenant, and remove the personal property of either. Landlord may relet the Premises, or any part of them, in Landlord's or Tenant's name for the account of Tenant, for such period of time and at such other terms and conditions as Landlord, in its discretion, may determine. Landlord may collect and receive the rents for the Premises. To the fullest extent permitted by law, the proceeds of any reletting shall be applied: first, to pay Landlord its reasonable, actual reletting expenses; second, to pay any indebtedness of Tenant to Landlord other than Rent; third, to the Rent due and unpaid hereunder; and fourth, the residue, if any, shall be held by Landlord and applied in payment of other or future obligations of Tenant to Landlord as the same may become due and payable, and Tenant shall not be entitled to receive any portion of such revenue. Re-entry or taking possession of the Premises by Landlord under this Section shall not be construed as an election on Landlord's part to terminate this Lease, unless a notice of termination is given to Tenant. Landlord reserves the right following any re-entry or reletting, or both, under this Section to exercise its right to terminate the Lease. Tenant will pay Landlord the Rent and other sums which would be payable under this Lease if repossession had not occurred, less the net proceeds, if any, after reletting the Premises, including without limitation, all repossession costs, brokerage commissions and costs for securing new tenants, attorneys' fees, remodeling and repair costs, costs for removing persons or property, costs for storing Tenant's property and equipment, and costs of tenant improvements and rent concessions granted by Landlord to any new Tenant, prorated over the life of the new lease.

23. Costs and Attorney's Fees. If Tenant or Landlord engage the services of an attorney to collect monies due or to bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of Rent or other payments, or possession of the Premises, the losing party shall



pay the prevailing party a reasonable sum for attorneys' fees in such action, whether in mediation or arbitration, at trial, on appeal, or in any bankruptcy proceeding. The hourly rates for any award of attorneys' fees will be calculated based on the rate that would be charged for the services provided by an attorney who is in private practice, of the same expertise and experience as the prevailing party's attorney(s).

24. Hazardous Material.

24.1 For purposes of this Lease, the term "Environmental Law" shall mean: any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9602 et seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq. ("RCRA"); the Washington State Model Toxics Control Act, RCW ch. 70.105D ("MTCA"); the Washington Hazardous Waste Management Act, RCW ch. 70.105; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Washington Water Pollution Control Act, RCW ch. 90.48, and any laws concerning above ground or underground storage tanks. For the purposes of this Lease, the term "Hazardous Material" shall mean: any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any Environmental Law.

24.2 Landlord represents and warrants to Tenant, to the best of its current knowledge, that there is no Hazardous Material on, in, or under the Premises or the Real Property as of the Commencement Date. If there is any Hazardous Material on, in, or under the Premises or the Real Property which has been or thereafter becomes released through no fault of Tenant, then Landlord (i) shall be solely responsible, at its sole cost, for promptly remediating the same to the extent required by Environmental Law and (ii) shall indemnify, defend and hold Tenant harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees, incurred or suffered by Tenant either during or after the Lease term as the result of such release.

24.3 Tenant shall not cause or permit any Hazardous Material, other than those Hazardous Material normally associated with Tenant's use specified in Section 1.6, to be brought upon, kept, or used in or about, or disposed of on the Premises or the Real Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, except in strict compliance with all applicable federal, state and local laws, regulations, codes and ordinances. If Tenant breaches the obligations stated in the preceding sentence, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees, incurred or suffered by Landlord either during or after the Lease term ("Claims") to the extent that said Claims are a result of said breach. Tenant shall promptly notify Landlord of any inquiry,

investigation or notice that Tenant may receive from any third party regarding the actual or suspected presence of Hazardous Material on the Premises or the Real Property.

24.4 Without limiting the foregoing, if the presence of any Hazardous Material brought upon, kept or used in or about the Premises or the Real Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, results in any release of any Hazardous Material on the Premises or the Real Property, Tenant shall be solely responsible, at its sole cost, for promptly remediating the same to the extent required by Environmental Law. Landlord's approval of such remediation shall first be obtained, which approval shall not be unreasonably withheld, conditioned or delayed, provided, however, that Tenant shall be entitled to respond immediately to an emergency without prior approval from Landlord, including but not limited to taking actions necessary to prevent the release from migrating, leaching or otherwise spreading, and actions necessary to respond to any immediate obligations imposed on Tenant by Environmental Law. To the extent such Hazardous Material becomes comingled with Hazardous Material released by Landlord or other parties, nothing in this Lease shall prevent Tenant from seeking to recover costs, expenses or any other damages incurred as a result of the presence of such Hazardous Material that was released by Landlord or other parties.


24.5 The provisions of this Article 24 shall survive expiration or earlier termination of this Lease.

25. General.

25.1 Heirs and Assigns. This Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns.

25.2 Brokers' Fees. Landlord was represented in this transaction by Orion Commercial Partners, LLC ("Landlord's Broker"). Landlord warrants to Tenant that Landlord has not dealt with any other broker, agent or finder in connection with the negotiation or execution of this Lease. Landlord's Broker shall be compensated by Landlord in connection with this Lease pursuant to a separate written agreement. Tenant warrants to Landlord that Tenant has not dealt with any broker, agent or finder in connection with the negotiation or execution of this Lease other than Washington Partners, Inc./JLL ("Tenant's Broker"). Tenant's Broker shall be compensated by Landlord in connection with this Lease pursuant to a separate written agreement.

25.3 Entire Agreement. This Lease contains all of the covenants and agreements between Landlord and Tenant relating to the Premises. No prior or contemporaneous agreements or understandings pertaining to the Lease shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or amended except in writing, signed by Landlord and Tenant.



25.4 Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision of this Lease.

25.5 Intentionally Deleted.

25.6 Force Majeure. Time periods for either party's performance under any provisions of this Lease (excluding payment of Rent) shall be extended for periods of time during which the party's performance is prevented due to circumstances beyond such party's control, including without limitation, fires, floods, earthquakes, lockouts, strikes, embargoes, governmental regulations, acts of God, public enemy, war or other strife.

25.7 Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Washington.

25.8 Addenda/Exhibits. The following Exhibits are made a part of this Lease. The terms of any Addendum to Lease and the Exhibits shall control over any inconsistent provision in the sections of this Lease:

Exhibit A: Legal Description

Exhibit B: Diagram of the Premises

Exhibit C: Work Letter

Exhibit D: Non-Disturbance and Attornment Agreement

25.9 Counterparts. This Lease may be executed in counterparts, each of which shall constitute an original and all of which constitute but one original.

25.10 Transferability; Release of Landlord. Subject to the requirements of Section 28, Landlord shall have the right to transfer and assign, in whole or in part, all of its rights and obligations under this Lease and in the Building and/or Property, and upon such transfer Landlord shall be released from any further obligations hereunder, and Tenant agrees to look solely to the successor in interest of Landlord for the performance of such obligations.

25.11 Survival of Obligations. The expiration of the Term, whether by lapse of time or otherwise, shall not relieve either party of any obligations which accrued prior to or which may continue to accrue after the expiration or early termination of this Lease.

25.12 Time of the Essence. Time is of the essence of each and every provision of this Lease.

25.13 Late Payments. Any Base or Additional Rent that is not paid when due will accrue a late rate charge of \$250.00, plus 2% interest per month (but in no event in an amount in excess of

the maximum rate allowed by applicable law) from the date on which it was due until the date on which it is paid in full with accrued interest.


25.14 Waiver. The waiver by Landlord of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of Base or Additional Rent or any other charge or sum hereunder by Landlord shall not be deemed to be a waiver of any preceding default by Tenant of any term, covenant or condition of this Lease, other than the failure of the Tenant to pay the particular sum so accepted, regardless of Landlord's knowledge of such preceding default at the time of the acceptance of such sum.

25.15 Surrender. At the expiration or earlier termination of this Lease or Tenant's right of possession, Tenant shall remove Tenant's personal property. If Tenant fails to remove any of Tenant's personal property within two (2) days after the termination of this Lease or of Tenant's right to possession, Landlord, at Tenant's sole cost and expense, shall be entitled (but not obligated) to remove and store Tenant's personal property. Upon termination of the original Lease Term, Tenant shall pay to Landlord the sum of Seventy-Five Thousand Dollars and 00/100 (\$75,000), ("Restoration Cost"), for costs associated with Landlord's restoration of the Premises, including removal of certain features of the Tenant Improvements, and Tenant shall therefore be absolved of any further costs associated with removal of personal property or restoration of Premises. In the event Tenant extends the Lease Term pursuant to its first Extended Term option, it shall not be required to pay the Restoration Cost at the end of the Lease Term or any extension thereof.

26. Signage. Tenant shall obtain Landlord's written consent, which shall not be unreasonably withheld, conditioned, or delayed, as to size, location, materials, method of attachment, and appearance, before installing any signs upon the Premises. Tenant shall install any approved signage at Tenant's sole cost and expense and in compliance with all applicable laws.

27. Self Help. Notwithstanding anything to the contrary, if Landlord fails to make and complete any maintenance or repair obligation of Landlord within twenty-four (24) hours of notice from Tenant with respect to any item of maintenance or repair that is deemed necessary by Tenant for its use of the Premises, or within thirty (30) days of notice from Tenant with respect to any other Landlord maintenance or repair obligation, then Tenant shall be entitled to take such actions and make such repairs to the Premises, Building or property associated with the same, as Tenant may deem necessary to correct such interruption, and Landlord shall reimburse Tenant for the cost of the same within thirty (30) days of invoice.

28. Subordination, Non-Disturbance and Attornment. Landlord agrees that, within twenty (20) days following the Commencement Date it will provide, without cost to or charge of, Tenant with non-disturbance, subordination and attornment agreements ("Non-Disturbance Agreement") in favor of Tenant from any ground lessors, mortgage



holders or lien holders (each, a "Superior Mortgagee") then in existence, substantially in the form of Exhibit D attached hereto. Said Non-Disturbance Agreements shall be in recordable form and may be recorded at Tenant's election and expense. In the event Landlord fails to provide such commercially reasonable Non-Disturbance Agreements within the time frame set forth in this Section, Tenant shall have the right, exercisable at any time thereafter, to give ten (10) business days' written notice to Landlord terminating the Lease. In the event Landlord does not provide Tenant with the applicable Non-Disturbance Agreements within such ten (10) day period, the Lease shall terminate and Landlord shall reimburse Tenant all of Tenant's out-of-pocket costs incurred in connection with the design and construction of the Tenant Improvements and Tenant's legal fees incurred in connection with the review and negotiation of the Lease and this provision shall survive the termination of the Lease.

Landlord agrees to provide Tenant with Non-Disturbance Agreement(s) substantially in the form of Exhibit D attached hereto, in favor of Tenant from any Superior Mortgagee(s) of Landlord, or Landlord's successor following any foreclosure, sale, or transfer in lieu thereof, who later come(s) into existence at any time prior to the expiration of the Term of the Lease, as it may be extended, in consideration of, and as a condition precedent to, Tenant's agreement to be bound by this Section 28. Said Non-Disturbance Agreements shall be in recordable form and may be recorded at Tenant's election and expense.

Tenant agrees to subordinate this Lease to any Superior Mortgagee and to attorn to Landlord's successor following any foreclosure, sale or transfer in lieu thereof, provided that the Superior Mortgagee, transferee, purchaser, lessor or beneficiary executes a Non-Disturbance Agreement pursuant to this Section 28, and that Tenant's use or possession of the Premises shall not be disturbed, nor shall its obligations be enlarged or its rights be abridged hereunder by reason of any such transaction. Notwithstanding any foreclosure or sale under any mortgage or deed of trust (or transfer by deed in lieu thereof), this Lease shall remain in full force and effect.

29. Contingency. This Lease shall be contingent upon Tenant obtaining all necessary permits to conduct tenant's business. In the event Tenant cannot obtain all necessary permits to conduct tenant's business in the Premises, Tenant may unilaterally terminate this Lease without penalty. None of the Tenant Improvement work shall commence until such permits are obtained.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date and year set forth below.

LANDLORD:

5303 1ST AVENUE SOUTH, LLC

By: 

Name: PETER DE VALLE

Page 21 of 38

Title: MEMBER
Date: 10/10/16

TENANT:

KING COUNTY, a political subdivision of the State of Washington

By: _____
Name: _____
Title: _____
Date: _____

APPROVED AS TO FORM:

By: _____
Chris Leopold
Senior Deputy Prosecuting Attorney

**APPROVED BY CUSTODIAL
AGENCY (METRO):**

By: _____
Date: _____

**APPROVED BY CUSTODIAL
AGENCY (King County Sheriff):**

By: _____

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Date: _____

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STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Peter Del Valle is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Member of 5302 1st Avenue, a Washington limited liability company its PP, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

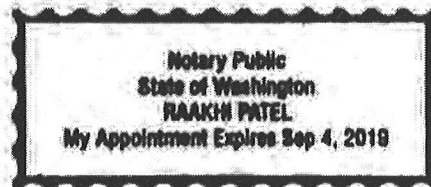
GIVEN UNDER MY HAND AND OFFICIAL SEAL this 10 day of October, 2016.

Notary Public

Print Name _____

My commission expires

September 4th, 2019
(Use this space for notarial stamp/seal)



STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that _____ signed this instrument, on oath stated that _____ was authorized to execute the instrument and acknowledged it as the _____ of KING COUNTY, a political subdivision of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this ____ day of _____, 201

Notary Public

Print Name _____

My commission expires

(Use this space for notarial stamp/seal)

EXHIBIT A
Legal Description

LEGAL DESCRIPTION
5303 1ST AVENUE SOUTH, SEATTLE, WA 98108
Lease between King County and 5303 1st Avenue South, LLC

Property Legal Description

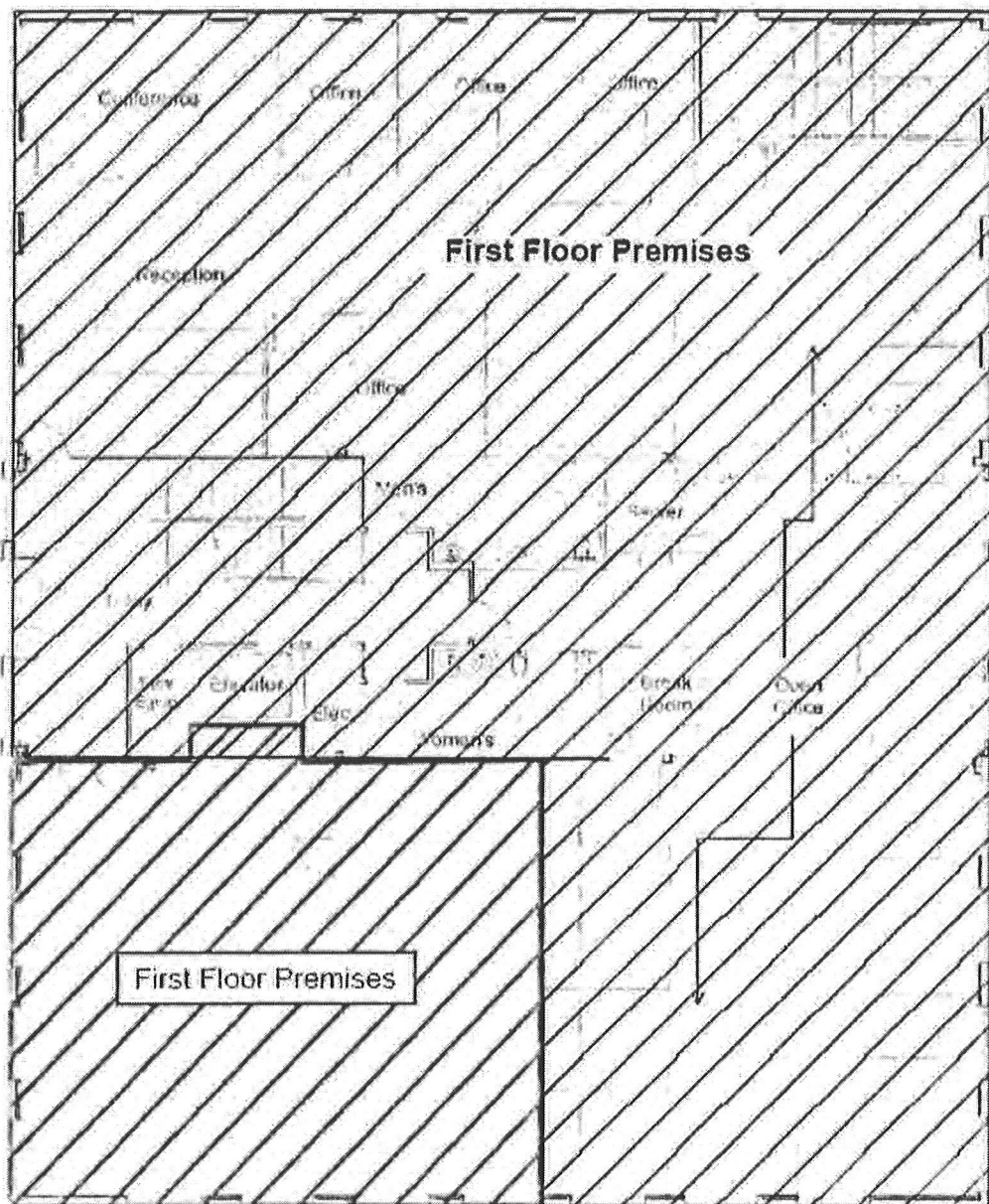
Lots 3, 4, 5 and 6 in Block 18 of McCALLISTER'S ADDITION TO THE CITY OF SEATTLE, according to the Plat thereof recorded in Volume 1 of Plats, page 239, of the records of King County, Washington, including the South half of vacated Bennett Street adjoining said property according to Ordinance No. 93993;

EXCEPTED FROM thereon thereof condemned in King County Superior Court Cause No. 5857 for widening of First Avenue South.

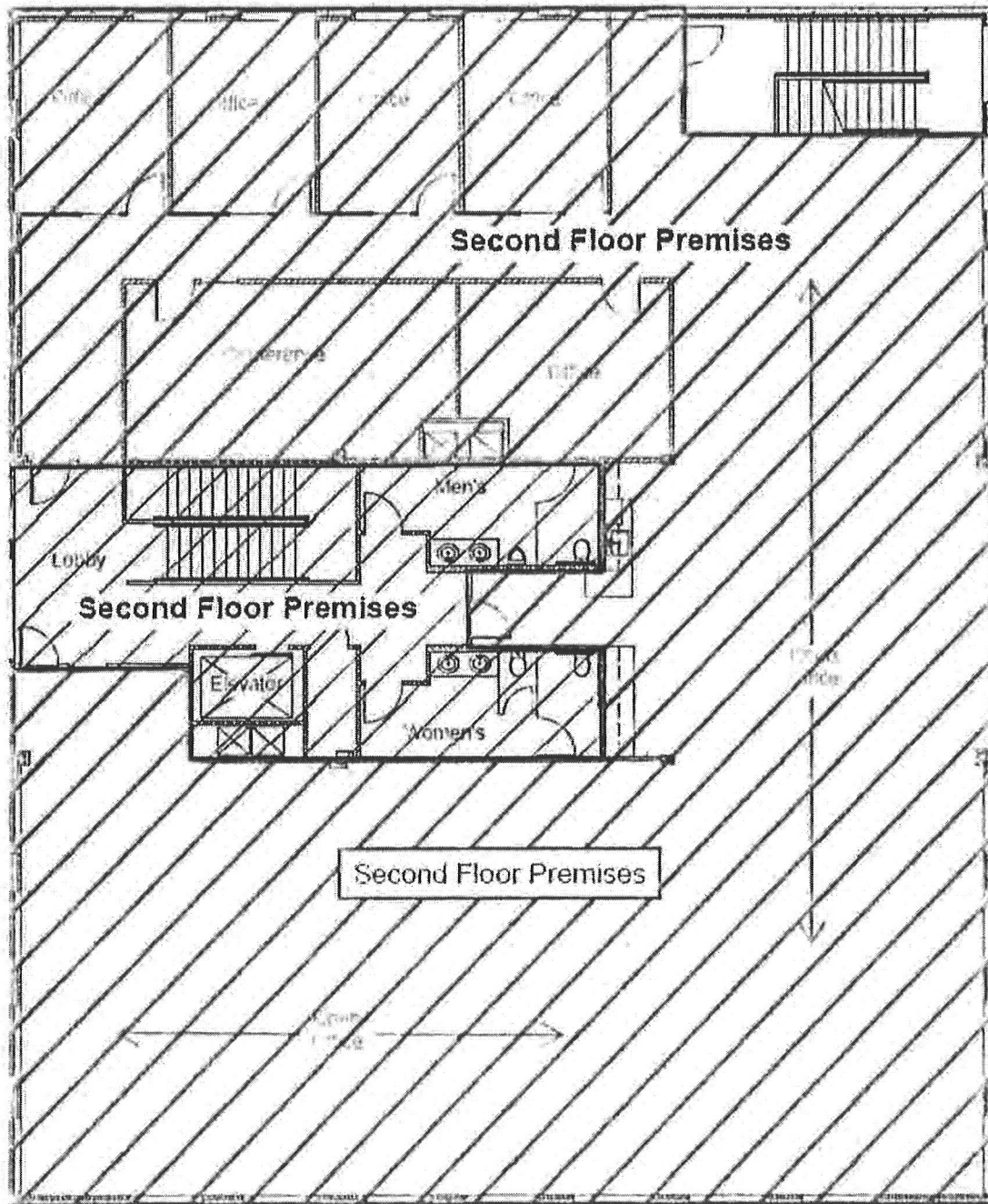
Situate in the County of King, State of Washington.

2

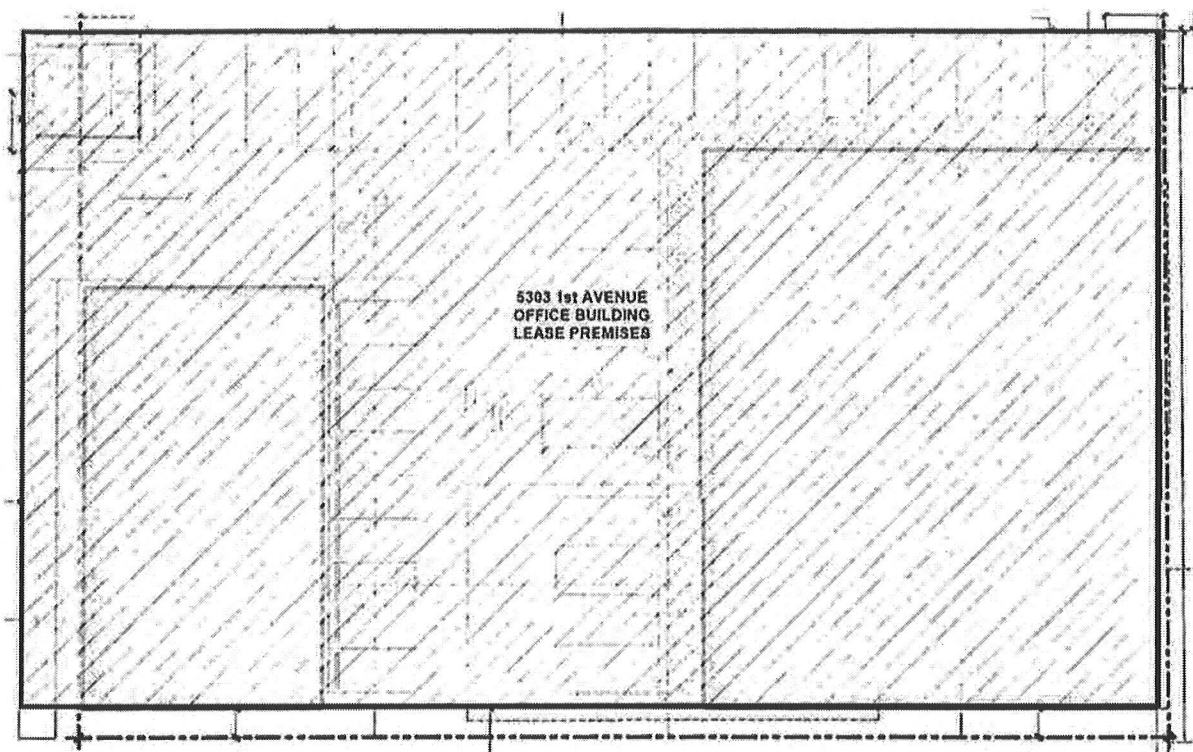
EXHIBIT B **Diagram of Premises**



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EXHIBIT C

Work Letter

This Exhibit C ("Work Letter") is part of that certain Lease Agreement ("Lease") dated _____, 201_, by and between 5303 1st Avenue South, LLC, a Washington limited liability company ("Landlord"), and King County, a political subdivision of the State of Washington ("Tenant"), under which Tenant has leased certain space ("Premises") from Landlord, as more particularly described in the Lease. Capitalized terms not defined herein shall have the meaning assigned to them in the Lease.

1. COMPLETION SCHEDULE.


Within three (3) business days following the execution of the Lease, Landlord shall deliver to Tenant a schedule ("Work Schedule") setting forth a timetable for the planning, design and completion of the installation of Landlord's Work to be constructed in the Premises, which Work Schedule is subject to Tenant's review and approval. The Work Schedule shall set forth each of the various items of work to be done by or approval to be given by Landlord and Tenant in connection with the completion of Landlord's Work. Because Tenant is currently in occupancy of the Premises, and will remain in occupancy throughout the progress of Landlord's Work, Landlord agrees to perform all of Landlord's Work in phases with as little inconvenience to Tenant as possible, and the Work Schedule shall reflect this timing. Landlord contemplates the majority, if not all, of the work will be conducted during normal business hours. Landlord shall be responsible for ensuring the completion of Landlord's Work in accordance with the Work Schedule and shall inform Tenant within one (1) business day of Landlord becoming aware of any changes to the same, which changes are subject to Tenant's review and approval. If Landlord's approval or consent is needed with respect to any element of the design or construction of Landlord's Work, then Landlord agrees to provide the same within three (3) business days of request, unless another time frame is set forth in the Work Schedule.

2. LANDLORD'S WORK.

Reference herein to "Landlord's Work" shall include all work to be done in the Premises pursuant to Landlord's Work Plans described in Paragraph 3 below. Reference in the Lease to "Tenant Improvements" shall mean the "Landlord's Work" as described herein.

3. LANDLORD'S WORK PLANS.

The elements of Landlord's Work will be depicted in the construction documents to be prepared by Tenant's architect, Studio Meng Strazzara (the "Space Plan"), which will be approved by Landlord and Tenant. Based upon the Space Plan, Tenant's architect (or such other architect as may be selected by Tenant) shall prepare bid drawings and specifications for Landlord's Work. Landlord and Tenant and its architect shall cooperate with each other in order to facilitate prompt and efficient completion of such drawings and specifications. Once approved by Landlord and Tenant, such drawings and specifications may be referred to herein as "Landlord's Work Plans." Landlord's Work Plans shall be submitted to the



appropriate governmental body by Tenant for plan checking and the issuance of a building permit. Tenant's architect shall cause to be made any changes in Landlord's Work Plans necessary to obtain the building permit, subject to Landlord's and Tenant's approval of such changes. Landlord agrees not to unreasonably withhold, condition or delay its approval of the Landlord's Work Plans or any changes to the same requested by Tenant.

4. CONSTRUCTION OF LANDLORD'S WORK.

a. Landlord warrants to Tenant that its preferred general contractor, Pennon Construction Company, Inc. ("Pennon"), is a qualified, licensed and bonded commercial general contractor with the experience and capacity to manage, oversee and cause the prompt and efficient construction of Landlord's Work. In reliance on such warranty, Tenant agrees that Pennon shall serve as the general contractor for the performance of Landlord's Work. To the extent that Landlord is to receive any fee, profit or other payment or reimbursement for Pennon serving as the general contractor in such capacity, all such amounts must be fully disclosed in writing and in advance to Tenant and must be approved of by Tenant. Landlord agrees that the cost to Tenant to have Pennon serve as the general contractor for Landlord's Work will not exceed the cost that Tenant would incur by competitively bidding such work to other similarly qualified general contractors in Seattle, Washington.

b. After Landlord's Work Plans have been prepared and approved by Tenant and Tenant's architect, and upon Tenant's confirmation that Tenant is ready to have such plans put out for bid, Landlord and Pennon shall prepare the bid package for Landlord's Work, which bid package must be approved of by Tenant in writing. Landlord agrees to cause, and to require all subcontractors performing Landlord's Work to cause, all laborers, workers and mechanics (as such terms are defined in Chapter 39.12 of the Revised Code of Washington) performing the work to be paid the prevailing rate of wages (as defined in Chapter 39.12 of the Revised Code of Washington). Upon Tenant's approval of the bid package, Landlord shall bid such Landlord's Work to a list of qualified subcontractors approved by Tenant. Landlord shall provide copies of the bids from such subcontractors to Tenant (including all back-up and detail) and the selection of subcontractors to perform Landlord's Work shall be subject to Tenant's written approval. Pennon shall enter into contracts with the selected subcontractors for the installation of Landlord's Work in accordance with Landlord's Work Plans, which contracts shall be subject to Tenant's written approval.

c. Upon the mutual approval of the bids of all subcontractors needed to perform Landlord's Work and any fee, profit, payment or other reimbursement to be paid to Pennon for its services as general contractor, the parties shall mutually agree in writing on the total not-to-exceed cost to construct Landlord's Work ("Guaranteed Maximum Price" or "GMP"). The GMP is to include the cost of all permits, easements and variances required to construct the Landlord's Work with the exception of the City of Seattle building permit that will be obtained and paid for by the Tenant. No changes to the approved GMP or subcontracts may be made without Tenant's prior written approval.

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d. Landlord shall supervise the completion of Landlord's Work and shall secure completion of such work in accordance with the Work Schedule. Landlord shall ensure that the construction of Landlord's Work is performed in compliance with all applicable laws, codes, ordinances and regulations. During the performance of Landlord's Work, Landlord shall arrange for weekly meetings to include Landlord, Tenant's Project Manager or Tenant's Representative and Tenant's architect, for the purpose of reviewing the progress of Landlord's Work. Landlord shall arrange for such meetings at a mutually convenient time and location. Landlord acknowledges that Tenant will be in occupancy of the Premises during the performance of Landlord's Work, and Landlord agrees to manage the performance of Landlord's Work in phases to (i) maintain the Premises in a condition that is safe for Tenant's employees and visitors and (ii) avoid any damage to or interference with Tenant's property. Before the commencement of Landlord's Work, Landlord agrees to meet with Tenant to review Landlord's safety and security plans for performance of Landlord's Work and to discuss any Tenant concerns related to the same.


e. The cost of Landlord's Work shall be paid as provided in Paragraph 5 below. Without limitation, Landlord shall be solely responsible for, and shall indemnify and defend Tenant from and against, any costs, claims, losses, damages, suits or expenses arising out of (i) remedying any errors or defects in Landlord's Work and/or for any failure of Landlord's Work to comply with Landlord's Work Plans; (ii) the acts or omissions of Landlord, Pennon, and/or any subcontractors pertaining to this agreement; and/or (iii) any cost to construct Landlord's Work that is in excess of the GMP approved by Tenant. In addition, Landlord shall be solely responsible for performing and paying for any additional work that must be performed to the Premises or the Building due to (i) the presence of asbestos or other hazardous materials; structural issues; mold; or substandard wiring; and/or (ii) the acts or omissions of Pennon, or any subcontractor. Landlord hereby warrants to Tenant that Landlord, to the best of its current knowledge, is not aware of any condition or deficiency in the Premises or Building that is likely to increase the cost of Landlord's Work (such as, without limitation, any code violation or the presence of asbestos or any hazardous material). Landlord agrees to defend, indemnify, and hold harmless the Tenant for claims by Landlord or Pennon's employees and agrees to waive its immunity under Title 51 RCW, (only with respect to its obligations to Tenant), which waiver has been mutually negotiated by the parties.

5. PAYMENT OF COST OF LANDLORD'S WORK.

a. Landlord hereby grants to Tenant a "Tenant Allowance" up to and not to exceed twenty-five Dollars (\$25.00) per rentable square foot of the Building. The Tenant Allowance may be used by Tenant for:

(1) Construction of Landlord's Work, including, without limitation, the following:

(a) Installation within the Premises of all partitioning, doors, floor coverings, ceilings, lockers, wall coverings and painting, millwork and similar items.



(b) All electrical wiring, cabling, lighting fixtures, outlets and switches, and other electrical work to be installed within the Premises.

(c) The furnishing and installation of all duct work, terminal boxes, diffusers and accessories required for the completion of the heating, ventilation and air conditioning systems within the Premises, including the cost of meter and key control for after-hour air conditioning.

(d) Any additional Tenant requirements including, but not limited to, odor control, special heating, ventilation and air conditioning, noise or vibration control or other special systems.

(e) All fire and life safety control systems such as fire walls, sprinklers, halon, fire alarms, including piping, wiring and accessories installed within the Premises.

(f) All plumbing, fixtures, pipes and accessories to be installed within the Premises.


(g) Testing and inspection costs.

(h) Subcontractors' fees, including but not limited to any fees based on general conditions.

(2) All other costs to be properly expended by, or owing to, Tenant or Landlord in the design, permitting and construction of Landlord's Work, including without limitation, those costs incurred by Tenant for design and construction of elements of Landlord's Work.

b. The cost of constructing Landlord's Work shall be charged against the Tenant Allowance. If the cost of Landlord's Work (according to the GMP approved by Tenant) exceeds the Tenant Allowance, Tenant shall pay any such overage within thirty (30) days of Landlord's first monthly billing (in which the Tenant Allowance is exceeded), which billing shall occur on the 15th day of each month. Landlord shall submit with each billing written back-up for the costs reflected in such billing for the reasonable review and approval of Tenant.

c. In the event that, after Landlord's Work Plans have been prepared and a GMP has been approved by Tenant, Tenant shall require any changes or substitutions to Landlord's Work Plans (each one a "Tenant Change Proposal"), any additional costs thereof shall be paid by Tenant to Landlord within thirty (30) days of Landlord's monthly billing in which such costs are reflected. Landlord shall first apply towards such increase any remaining balance in the Tenant Allowance.



d. Any increase for any reason whatsoever to the cost of Landlord's Work above the GMP (approved by Tenant), including without limitation the requirements of any governmental agency, shall require Tenant's prior written approval. Landlord shall be solely responsible for all costs of constructing Landlord's Work that exceed the GMP that are not attributable to a Tenant Change Proposal.

e. Upon completion of Landlord's Work, any unused portion of the Tenant Allowance shall be applied to Rent next owing under the Lease.

f. Tenant or its accountants shall have the right to inspect and audit Landlord's books and records with respect to Landlord's Work to verify actual costs thereof. Tenant shall exercise this right by giving written notice to Landlord of its intent to audit, which notice shall be given by Tenant within six (6) months after the completion of Landlord's Work. Upon giving such notice, Tenant or its accountants, at Tenant's sole cost (except as otherwise provided below), shall have the right for the succeeding sixty (60) days to inspect and audit Landlord's books and records with respect to Landlord's Work to verify the actual costs thereof. Tenant shall not pay any person or entity conducting such an audit on a contingency basis. Any overcharge or underpayment shall be due from one party to the other within thirty (30) days after the amount of the overcharge or underpayment has been mutually agreed upon or established by a court of competent jurisdiction. If an overcharge against Tenant of more than five percent (5%) of Landlord's Work is discovered, Landlord shall also reimburse Tenant for the cost of the audit within thirty days of receipt of invoice.


6. PUNCHLIST; DEFICIENCIES IN LANDLORD'S WORK

a. Landlord and Tenant will, within ten (10) business days from the date that Landlord's Work is completed ("Inspection Period"), inspect the Premises and prepare a list of any outstanding work or items to be completed by Landlord ("Punch List items"). Landlord agrees to complete (or repair) the Punch List item(s) with commercially reasonable diligence and speed, and within thirty (30) days after the Punch List is delivered to Landlord.

b. Landlord shall warrant Landlord's work for the industry standard one (1) year from the Inspection Period, and during such one (1) year period promptly remedy any defects or deficiencies at its sole cost.

7. REPRESENTATIVES

Tenant has designated Maureen Thomas as its sole representative with respect to the matters set forth in this Work Letter, who, until further written notice to Landlord, shall have full authority and responsibility to act on behalf of the Tenant as required in this Work Letter. Landlord has designated Peter del Valle as its sole representative with respect to the matters set forth in this Work Letter, who, until further written notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Work Letter.



8. MISCELLANEOUS

A default or the failure to perform under this Work Letter shall be a default under the Lease, and without limiting the non-defaulting party's other rights, the non-defaulting party shall be entitled to all of its remedies under the Lease with respect to such default.

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EXHIBIT D
NON-DISTURBANCE AND ATTORNMENT AGREEMENT

This Agreement is made on _____, 20____, between _____
 _____ ("Superior Mortgagee"), whose address is _____
 _____ ("Landlord"), whose
 address is _____, and King County, a political
 subdivision of the State of Washington ("Tenant"), whose address is _____,
 who agree as follows:

1. Recitals. This Agreement is made with reference to the following facts and objectives:

(a) Superior Mortgagee is, or it is anticipated that Superior Mortgagee will become, the beneficiary under a certain deed of trust ("Trust Deed") on improved property located at _____ ("Property"), more specifically described in Schedule "_____" attached hereto and made a part hereof by this reference. Superior Mortgagee shall also be deemed to include any lender who executes this Agreement and subsequently acquires title to the Building pursuant to a bankruptcy proceeding involving Landlord.

(b) On or about _____, 20____, Landlord leased to Tenant, and Tenant leased from Landlord, a portion of the Property. A copy of the lease between Landlord and Tenant ("Lease") is attached hereto as Schedule "_____" and made a part hereof by this reference.


(c) The parties desire, under the provisions set forth in this Agreement, to assure Tenant that in the event of the foreclosure of the Trust Deed, or in the event of a sale in lieu of such foreclosure, or in the event that Superior Mortgagee directly or indirectly becomes the new landlord of the Building because of its providing financing to Landlord, the terms, covenants and conditions of the Lease shall not be terminated, disturbed, or adversely affected, provided an incurable Event of Default has not occurred under Section 21 of the Lease and subject to the cure rights set forth in Section 21 of the Lease ("Tenant Default").

2. Attornment. If Landlord is in default under the Trust Deed after expiration of the applicable period that Landlord has in which to cure its default, and if a foreclosure sale takes place due to such default, or if Superior Mortgagee shall notify Tenant of such transfer of title to the Property or if Superior Mortgagee becomes the new Landlord of the Building, after receipt of such notice, upon the effective date of such transfer of title, and after Tenant has received written notice of such transfer of title, Tenant shall attorn to Superior Mortgagee and shall recognize Superior Mortgagee as Tenant's landlord under the Lease, and Tenant agrees to execute any instruments reasonably requested to evidence such attornment. Upon attornment, the Lease shall continue in full force and effect, so long as a Tenant Default has not occurred, and Tenant shall perform all Tenant's obligations under the Lease directly to Superior Mortgagee, as if Superior Mortgagee were the landlord under the Lease. Tenant agrees to make any

modifications of the Lease requested by Superior Mortgagee hereunder, provided that such modifications do not materially or adversely affect any right of Tenant under the Lease or increase any of Tenant's monetary obligations under the Lease.

3. Non-Disturbance by Superior Mortgagee. If a Tenant Default is not in existence at the time of the transfer of title as provided in the above paragraph, the Lease shall continue with the same force and effect as if Superior Mortgagee and Tenant had entered into a lease with the same provisions as those contained in the Lease, and the terms of the Lease and Tenant's leasehold estate in the Property shall not be terminated, disturbed, or adversely affected, except according to the terms, covenants or conditions of the Lease.

4. Conditions of Superior Mortgagee's Recognition. Until a Tenant Default occurs, Superior Mortgagee or such other purchaser shall recognize the leasehold estate of Tenant under all of the terms, covenants and conditions of the Lease for the remaining balance of the term and any renewals thereof with the same force and effect as if Superior Mortgagee or such other purchaser were the landlord under the Lease, and Superior Mortgagee and Tenant shall immediately enter into a written agreement with the same provisions as those in the Lease, except for any technical changes that are necessary because of the substitution of Superior Mortgagee in place of Landlord; provided, however, that Superior Mortgagee, or such other purchaser, shall not be: (1) liable for any act or omission of Landlord or any other prior lessor which occurred prior to the time the Superior Mortgagee purchased or acquired its interest under the Lease, except for the obligations of Landlord or any other prior lessor to perform under the Lease those obligations which are in the nature of on-going obligations under the Lease, and except with respect to Tenant's right to deduct from rents next due under the Lease, together with interest thereon at the interest rate of seven percent (7.0 %) (the "Interest Rate"), any (i) remaining credit of Base Rent, or operating expenses, (ii) unpaid Tenant Improvement Allowance (including allowances for expansions, renewals, initial construction, remodeling or refurbishing), or the cost incurred by Tenant in constructing or completing the Tenant Improvements which were required to be constructed or completed by Landlord at Landlord's expense, (iii) unpaid arbitration or court award, (iv) unpaid obligation of Landlord arising out of Tenant's existing Lease at 5303 1st Avenue South, Seattle, Washington, which Landlord has agreed to directly or indirectly assume, (v) unrefunded security deposit, or (vi) unpaid commission due and owing to Tenant's real estate broker all as set forth in the Lease; (2) except as provided in Section (4)(1)(i-vi) to the contrary, obligated to cure any defaults of Landlord or any other prior lessor under the Lease which occurred prior to the time that Superior Mortgagee purchased or acquired its interest under the Lease (except to the extent that the default is not monetary and remains in existence at the time the Superior Mortgagee purchased or acquired its interest under the Lease); (3) except as provided in Section (4)(1)(i-vi) to the contrary, subject to any offsets or defenses which Tenant may be entitled to assert against Landlord or any other prior lessor; (4) bound by any payment of rent or additional rent by Tenant to Landlord or any other prior lessor for more than one month in advance; (5) bound by any amendment or modification of the Lease which would adversely affect any right of Landlord under the Lease made without the written consent of Superior Mortgagee or such other purchaser who has first, in writing, notified Tenant of its interest, which



consent cannot be unreasonably withheld; or (6) except as provided in Section (4)(1)(i-vi) to the contrary, liable or responsible for or with respect to the retention, application and/or return to Tenant of any security deposit paid to Landlord or any other prior lessor, whether or not still held by Landlord, unless and until Superior Mortgagee or such other purchaser has actually received for its own account as landlord the full amount of such security deposit, or any portion thereof (such liability and responsibility being limited to the amount received, if any).

5. Special Payment. Notwithstanding anything to the contrary set forth in this Agreement or in the Lease, in the event that Landlord fails to pay to Tenant (a) the Tenant Improvement Allowance or (b) unpaid final arbitration award or court judgment, Superior Mortgagee or such other successor to the interests of Landlord and/or the Superior Mortgagee shall pay to Tenant, together with interest at the Interest Rate, such unpaid amounts and shall recognize and honor any remaining credit of (or so called free) Base Rent and Operating Costs ("Outstanding Credit"). In addition, Superior Mortgagee or any other successor to the interests of Landlord and/or the Superior Mortgagee shall pay to Washington Partners, Inc./JLL, Tenant's broker, any unpaid commission that was due and not paid by Landlord to Tenant's broker together with interest at the Interest Rate. With respect to all such payments, interest shall be computed from the date such amounts are in fact paid.

In the event Landlord, Superior Mortgagee or such other successor to the interests of Landlord and/or Superior Mortgagee shall fail to pay to Tenant such unpaid amounts, honor any Outstanding Credit, or pay to Tenant's broker any unpaid commission that was due and not paid by Landlord to Tenant's broker, Tenant may deduct such amounts, together with interest thereon at the Interest Rate and computed as set forth above, from the rent next becoming due and payable under the Lease.

6. Covenants of Superior Mortgagee.

(a) Superior Mortgagee shall, at the request of Tenant, oppose any rejection of this Lease in the event a bankruptcy proceeding is instituted involving Landlord as the debtor.

(b) Superior Mortgagee shall serve Tenant, in the same manner and at the same time, with a copy of all notices it serves on Landlord with respect to any default by Landlord on any obligation of Landlord to Superior Mortgagee.

7. Miscellaneous.

(a) No Effect on Trust Deed. Nothing in this Agreement shall be deemed to change in any manner the provisions of the Trust Deed as between Superior Mortgagee and Landlord, to waive any right that Superior Mortgagee may now have or later acquire against Landlord by reason of the Trust Deed.

(b) Attorneys' Fees. In the event of any suit under this Lease, reasonable attorneys' fees and costs shall be awarded by a court or arbitrator to the prevailing party and are to be included in any judgment or award. In addition,

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the prevailing party shall be entitled to recover reasonable attorneys' fees and costs incurred in enforcing any judgment arising from a suit under this Lease including but not limited to post judgment motions, contempt proceedings, garnishment, levy and debtor and third party examinations, discovery and bankruptcy litigation, without regard to schedule or rule of court purporting to restrict such award. This post judgment or award of attorneys' fees and costs provision shall be severable from any other provisions of this Lease and shall survive any judgment on such suit and is not to be deemed merged into the judgment or award. For the purpose of this provision, the term "attorneys' fees" or "attorneys' fees and costs" shall mean the fees and expenses of internal/external legal counsel to the parties hereto, which include printing, photocopying, duplicating, mail, overnight mail, messenger, court filing fees, cost of discovery, fees billed for law clerks, paralegals, investigators and other persons not admitted to the bar but performing services under the supervision or direction of an attorney. For the purpose of determining in-house counsel fees, the same shall be considered as those fees normally applicable to a partner in a law firm with like experience in such field.


(c) Notice. All written notices, statements, or other communications required or permitted to be given hereunder shall be given by letter, telex, telegram, mailgram, cable or fax and shall be deemed delivered if dispatched by certified or registered mail, return receipt requested, postage prepaid or personal delivery or telex or fax transmission or other form of electronic transmission, addressed to the parties as set forth opposite their respective names in the Lease.

If personally delivered, such notice shall be effective upon delivery. If notice is sent by telex or fax transmission or other form of electronic transmission, such notice shall be effective upon transmission (if prior to 6:00 p.m. in the recipient's time zone. If after 6:00 p.m., the notice shall be effective at 9:00 a.m. on the next business day after such transmission). If mailed, notice shall be deemed given on the third day after it is deposited in the mail in accordance with the foregoing. Any party may change the address at which to send notices by notifying the other party of such change of address in writing in accordance with the foregoing. Any correctly addressed notice that is refused, unclaimed or undeliverable because of an act or omission of the party to be notified shall be considered to be effective as of the first date that the notice was refused, unclaimed or considered undeliverable by the postal authorities, messenger, officer of the law or overnight delivery service.

(d) Successors. This Agreement shall be binding on and inure to the benefit of the parties and their successors.

(e) Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Washington.

(f) No Modifications Unless in Writing. This Agreement contains all of the agreements and understandings between the parties regarding this



Agreement relating to the leasing of the Premises and the obligations of Landlord and Tenant in connection with such Lease. This Agreement supersedes any and all prior agreements and understandings between Landlord, Tenant and Superior Mortgagee and alone expresses the agreement of the parties. This Agreement shall not be amended, changed or modified in any way unless in writing executed by Landlord, Tenant and Superior Mortgagee. Landlord, Tenant and Superior Mortgagee shall not have waived or released any of their rights hereunder unless in writing and executed by Landlord, Tenant and Superior Mortgagee.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

LANDLORD:

a _____

By: _____
Its: _____

TENANT:

King County,
a political subdivision of the State of
Washington

By: _____
Its: _____

SUPERIOR MORTGAGEE:

a _____

By: _____
Its: _____

